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Prepared Remarks of Acting Director Dave Uejio for the Libre Enforcement Action Press Call

FEB 22, 2021

Thank you for joining this call. Today the Consumer Financial Protection Bureau, in partnership with Virginia, Massachusetts, and New York, is filing a lawsuit against Libre by Nexus, an immigration-services company. Our lawsuit alleges that Libre preys on immigrants, primarily Spanish speakers from Latin America who speak little or no English, and are being held in ICE detention centers.

Libre promises these new immigrants a way out of legal limbo: Libre promises to secure their immigration bonds so they can reunite with their families while they wait for an immigration hearing. But in exchange for that freedom, Libre binds the immigrant detainees with abusive contracts carrying exorbitant monthly fees. Libre even falsely threatens to deport or imprison family

members of those who have difficulty making the steep monthly payments.

According to the Bureau's complaint, Libre, which ironically means "free" or "freedom" in Spanish, traps consumers into its cash-grab scheme by making the immigrants believe they are taking on a loan. Indeed, Libre leads consumers to believe their monthly payments pay down a debt they owe to Libre for paying their bond, when, in fact, the payments are exorbitant non-refundable fees. Libre is actually just a middleman between the immigrant detainees and a bondsman.

Immigrants come to the United States searching for new lives and a chance to pursue the American dream. Instead they are preyed upon by Libre and find themselves trapped in a financial nightmare. Instead of buying a home or a car, or even putting food on the table, Libre's victims and their family members see their hard-earned cash go out the door, month after month, to pay many times over the amount necessary to secure their release from detention. Getting trapped by Libre's offer to pay for their immigration bonds makes it even harder for these immigrants to establish themselves financially. It dramatically reduces their ability to realize the dream of security for their families, and erects insurmountable financial barriers that prevent them from establishing themselves financially and providing for their families. Libre's actions ensure these vulnerable immigrant consumers are hamstrung before they ever leave the gate.

A consumer financial product or service that thrives on deception is illegal. Misleading consumers with contracts where they think they are signing up for one product or service when they are really getting another is illegal. And strong-arming consumers and their family members with false debt collection threats is illegal. These actions are harmful to all of us and undermine our collective economic prosperity. These illegal practices are particularly pernicious when they are targeted at vulnerable populations like immigrant consumers, further deepening ethnic and economic divides.

Today's action should serve notice to the entire market that financial scams

targeting communities of color will not be tolerated. By going after these kinds of practices that target vulnerable immigrants and that disproportionately harm people of color, the CFPB is putting racial equity at the top of its priority list. In fact, racial equity **demands** that we address these practices. All consumers, regardless of race, national origin, ethnicity or gender, should be treated fairly and honestly.

I want to thank Virginia, Massachusetts and New York for their close coordination with us on this case. We will continue to take appropriate action against those we find to be deceiving or taking advantage of consumers. Thank you.

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